Solution 14.1

MISTY RIDGE LIMITED
STATEMENT OF FINANCIAL POSITION
AT 30 APRIL 20X5

ASSETS		**Notes**	**C**
Non-current assets			
Property, plant and equipment		5	813 000
Patents and trademarks		6	45 000
			1 175 700
Current assets			
Inventory		7	575 700
Accounts receivable	(472 700 -9 200)	8	463 500
			721 500
Current liabilities			
Accounts payable			259 080
Shareholders for dividends			8 000
Provision for taxation			27 520
Bank overdraft		9	18 400
			313 000

MISTY RIDGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The principal accounting policies adopted in the preparation of the financial statement are as follows:

- **Statement of compliance**

  These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance,1984, provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

- **Accounting convention**

  The financial statements have been prepared on the historical cost basis. These policies are consistent in all material respects with these applied in the previous years.

- **Property, plant and equipment**

  These are stated at cost less accumulated depreciation and impairment losses except for land an building which are stated at cost. Depreciation is charged @ 10% of the cost on straight line basis over its useful life.

- **Intangible**

  Intangible assets include patents and trademarks which are non monetary assets with out physical substance. These are recognized at cost, which comprises its purchase price and directly attributable expenditures.

After initial recognition an intangible asset is carried at its cost less accumulate depreciation and any impairment losses. Amortization is charged against income over the finite useful life of 10 years.

- **Inventory**

  These are valued at lower of cost and NRV. Cost is determined using the following basis

  Raw material - FIFO
  WIP and FG - Actual cost including appropriate overheads

- **Accounts Receivable**

  These are carried at cost less any provision for impairment.

- **Accounts Payable**

  These are carried at cost which is there fair value of the consideration to be paid

Solution 14.1 continued . . .

5. Property, plant and equipment

	Land and buildings	Plant and machinery	Total
Cost			
Balance 1/5/X4	638 000	250 000	988 000
Additions			
Disposals			
Revaluation			
Balance 30/4/X5	638 000	250 000	988 000
Accumulated depreciation			
Balance 1/5/X4		50 000	95 000
Depreciation / Amortisation		25 000	35 000
Balance 30/4/X5		75 000	130 000
Carrying value			
Beginning of year	638 000	200 000	893 000
End of year	638 000	175 000	858 000

Land and buildings comprise factory and administration buildings situated at Sub 11 of Lot 888, Wadeville, Germiston.

Land and buildings	
Acquired 1 April W8	580 000
Improvements: 20X0	13 000
Improvements: 20X4	45 000
	638 000

6. Intangible Assets

Patents and Trademarks	C	
	30/X/X5	**30/X/X4**
Cost	100 000	-
Opening balance	-	-
Additions	-	-
Disposals	-	-
Revaluation	-	-
Closing balance	100 000	-
		-
Amortisation		-
Opening	45 000	-
Amortization for the period	10 000	-
Closing balance	55 000	-
Carrying Value		
Beginning of year	55 000	-
End of year	45 000	-

The patents and trademarks have the finite useful life of 10 years. These are recognized at cost. These are amortized at 10% p.a. on a straight line basis.

7. Inventory

Inventory consists of:

Finished goods	202 000
Work-in-progress	177 300
Raw materials	196 400
	575 700

8. Accounts receivable

Included in accounts receivable is an amount of C5 000 owing by the managing director:

Balance at beginning of year	15 000
Advanced during year	-
	15 000
Repaid during the year	(10 000)
Balance at end of year	5 000

9. Bank overdraft

Bank overdraft facilities of the company are secured by a notarial bond over the movable assets of the company.

Solution 14.1 continued . . .

Workings

	Plant and machinery
Carrying amount at 30/4/X5	175 000
Accumulated depreciation at 30/4/X4	50 000
Depreciation - current year	25 000
Accumulated depreciation at 30/4/X5	75 000
Cost (25 000 / 0,10)	250 000

Solution 14.2

AUBERGINE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 20X9

		Note	C
ASSETS			
Non-current assets			1 278 000
Property, plant and equipment		4	1 278 000
Current assets			208 200
Inventory		5	65 000
Accounts receivable			79 000
Bank			64 200
			1 486 200
EQUITY AND LIABILITIES			
Capital and reserves			1 304 800
Ordinary share capital		2	856 800
6% redeemable preference shares		2	100 000
Distributable reserves	(290 000 + 78 000 – 20 000)		348 000
Non-current liabilities			70 000
10% Debentures		3	70 000
Current liabilities			117 200
Short-term loans		3	10 000
Accounts payable	(101 400 – 48 840 - 18 700)		33 860
Shareholders for dividends	(42 840 + 6 000)		48 840
Current tax payable			18 700
			1 486 200

SURF ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

- **Statement of compliance**

  These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance,1984, provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

- **Accounting convention**

  The financial statements have been prepared on the historical cost basis. These policies are consistent in all material respects with these applied in the previous years.

- **Property, plant and equipment**

  Land and buildings held for the use in the production or supply of goods or services, or for administration purposes, are stated at fair value less any subsequent accumulated depreciation and subsequent impairment losses.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for in a prospective basis.

- **Inventory**

Inventories are stated at the lower of cost and net realizable value. Costs are assigned to inventories on a first-in-first-out basis. Net realizable values represent the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2. Share capital

Authorised
1 000 000 ordinary shares of C1 each
100 000 6% redeemable preference shares of C1 each

Issued number of shares
856 800 ordinary shares of C1 each
100 000 6% redeemable preference shares of C1 each

The preference shares are redeemable at a premium of C0.30 per share at the option of the company at any date after 30 June 20X8.

3. Non-current liabilities

800 10% debentures of C100 each	80 000
Current amount disclosed under current liabilities	10 000
	70 000

The debentures are secured by a mortgage bond over land and buildings, with a book value of C1 118 000, and are repayable in annual instalments of C10 000, the last instalment being due on 31 December 19Y6.

4. Property, plant and equipment

	Land and buildings	Plant and machinery	Furniture and fittings	Total
Cost / Valuation				
Balance 1/7/X8	1350 000	***^150 000***	***10 000***	1 510 000
Additions			4 000	4 000
Disposals				-
Revaluation decrease	(170 000)			(17 000)
Balance 30/6/X9	1 180 000	150 000	14 000	1 344 000
Accumulated depreciation				
Balance 1/7/X8		30 000	5 500	35 500
Depreciation		30 000	***500***	30 500
Disposal				
Impairment				
Balance 30/6/X9		60 000	6 000	66 000
Carrying value				
Beginning of year	1 350 000	120 000	4 500	1 474 500
End of year	1 180 000	^90 000	8 000	1 278 000

^ Cost* – 0,40Cost = C90 000
*Cost = C150 000

Solution 14.2 continued . .

Land and buildings are situated on 82-E, Port Qasim.

Land and buildings	
Acquired 1 June 20X4	1 200 000
Revaluation: 20X6	150 000
Revaluation decrease: 20X9	(170 000)
	1 180 000

Land and buildings are revalued every three years. The valuation was carried out by Consulting Engineers CC, who are independent appraisers.

5. Inventory	
Merchandise	65 000

Solution 14.3

a) Journal entries for equipment

		Debit	Credit
01/01/X3	Equipment	2 400 000	
	VAT input	336 000	
	Bank		2 736 000
	(2 736 000 X 100/114)		
31/12/X3	Depreciation expense	480 000	
	Accumulated depreciation		480 000
	(2 400 000 / 5)		
	Taxation expense	96 000	
	Deferred taxation		96 000
	(800 000 – 480 000) X 0.30		
20X3 entries given for information – not required for answer			
01/01/X4	Deferred taxation	3 200	
	Taxation expense		3 200
	Change in tax rate (320 000 X 0.01)		
	Accumulated depreciation	480 000	
	Cost		480 000
	(Reversal of accumulated depreciation)		
	Machine A	3 080 000	
	Revaluation surplus		2 186 800
	Deferred taxation		893 200
	(3 080 000 X 0.71) (3 080 000 X 0.29)		
31/12/X4	Depreciation expense	1 250 000	
	Accumulated depreciation		1 250 000
	(5 000 000 / 4)		
	Deferred taxation	130 500	
	Taxation expense		130 500
	(450 000 X 0.29)		
	Revaluation surplus	546 700	
	Retained earnings		546 700
	(2 186 800 / 4)		
	or (1 250 000 – 480 000) X 0.71		

Solution 14.3 continued …

b) Notes to taxation and deferred taxation for 20X4

Note		C	%
Taxation			
Normal tax			
Current	See current tax working	1 010 300	
Deferred			
- Rate change	(1 600 + 3 200)	(4 800)	
- Temporary differences	[(855.5 – 893.2 – 92.8) – 46.4] * 1 000	(176 900)	
Income tax expense		828 600	
Tax rate reconciliation			
Profit before tax / Applicable rate	(2 900 000 X 0,29)	841 000	29.00
Dividends received	(40 000 X 0,19)	(7 600)	(0.26)
Rate change		(4 800)	(0.17)
Income tax expense / Effective rate		828 600	28.57
Deferred taxation			
Capital allowances on property, plant & equipment		855 500	

c) Notes to Property, plant and equipment for 20X4

	Total C	Vehicles C	Equipment C
Net carrying amount: 01/01/X3	3 600 000	1 200 000	2 400 000
Gross carrying amount	3 600 000	1 200 000	2 400 000
Accumulated depreciation	0	0	0
Depreciation	(720 000)	(240 000)	(480 000)
Net carrying amount: 01/01/X4	2 880 000	960 000	1 920 000
Gross carrying amount	3 600 000	1 200 000	2 400 000
Accumulated depreciation	(720 000)	(240 000)	(480 000)
Revaluation	3 080 000	-	3 080 000
Depreciation	(1 490 000)	(240 000)	(1 250 000)
Disposals	(720 000)	(720 000)	-
Net carrying amount: 31/12/X4	3 750 000	-	3 750 000
Gross carrying amount	5 000 000	-	5 000 000
Accumulated depreciation	(1 250 000)	-	(1 250 000)
Net carrying amount on historic cost	1 440 000	-	1 440 000

The last revaluation was performed on 1 January 20X4 by an independent sworn appraiser to the fair value in use on a net replacement value basis. Revaluations are performed annually.

Solution 14.3 continued …

Workings

Equipment

		HCA	ACA	TB	TD	DT		RS	RE
01/01/X3	Cost	2 400	2 400	2 400					
31/12/X3	Depreciation / Tax allowance	(480)	(480)	(800)	320	96	Dr TE Cr DT		
		1 920	1 920	1 600	320	96	Cr		
01/01/X4	Decrease in tax rate					(3,2)	Dr DT Cr TE		
						92,8	Cr		
	Revaluation	-	3 080	-	3 080	893,2	Cr	2 186,8	
		1 920	5 000	1 600	3 400				
31/12/X4	Depreciation / Tax allowance	(480)	(1 250)	(800)	(450)	(130,5)	Dr DT Cr TE	(546,7)	546,7
		1 440	3 750	800	2 950	855,5	Cr		

Vehicle

		ACA	TB	TD	DT	
01/01/X3	Cost	1 200	1 200			
31/12/X3	Depreciation / tax allowance	(240)	(400)	160	48	Dr TE Cr DT
		960	800	160	48	Cr (30%)
01/01/X4	Change in tax rate				(1,6)	Dr DT Cr TE
					46,4	Cr (29%)
31/12/X4	Depreciation / tax allowance	(240)	(400)	160	46,4	Dr TE Cr DT
		720	400	320	92,8	Cr
	Sale	(720)	(400)	(320)	(92,8)	
		0	0	0	0	

Tax computation (Current tax)

Profit before tax	2 900 000
Less:	
Capital gain (150 000 – 720 000)	(780 000)
Add: Tax gain on disposal (150 000 – (1 20 000 – 40 000 – 40 000))	1 100 000
Add: Accounting depreciation (1 250 000 + 240 000)	1 490 000
Less: Tax depreciation (800 000 + 400 000)	(1 200 000)
	3 510 000
Less: Dividend income	(40 000)
Taxable income	3 470 000
Tax @ 29%	1 006 300
Add: Tax on dividend @ 10% (40 000 * 10%)	4 000

1 010 300

Solution 14.4

a)

READ LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 20X6

	C
Profit before tax	1 720 000
Taxation expense	(490 150)
Profit for the period	1 229 850
Other comprehensive income	-
Total comprehensive income	1 229 850

b)

	Dr	Cr
Taxation expense	2 750	
Current tax payable		2 750
Underprovision from previous year		
Current tax payable	11 550	
Bank		11 550
Settlement of amount owing		
Taxation expense	603 400	
Current tax payable		603 400
20X6 current tax		
Deferred tax	116 000	
Taxation expense		116 000
20X6 deferred tax movement		
Or, by type of temporary difference		
Taxation expense	30 450	
Deferred taxation		30 450
Originating temporary difference on equipment		
Deferred tax	149 350	
Taxation expense		149 350
Reversing temporary difference on sale of equipment		
Taxation expense	5 800	
Deferred taxation		5 800
Reversing temporary difference on income in advance		
Deferred tax	2 900	
Taxation expense		2 900
Reversing temporary difference on expenses prepaid		
Current tax payable	450 000	
Bank		450 000
20X6 provisional payment		

Solution 14.4 continued …

c)

READ LIMITED
NOTES TO THE FINANCIAL STATEMENTS

			20X6 C
Taxation			
Normal tax			490 150
Current tax			603 400
Deferred tax	(30 450 – 149 350 + 5 800 – 2 900)		(116 000)
Underprovision of current tax in prior year			2 750
Income tax expense			490 150
		%	
Tax rate reconciliation			
Tax expense on profit / applicable rate		29.00	498 800
Dividend taxed at lower rate (60 000 * 19%)		(0.66)	(11 400)
Under provision in prior year		0.16	2 750
Tax expense / effective rate		28.50	490 150

READ LIMITED
NOTES TO THE FINANCIAL STATEMENTS

		20X6 C	20X5 C
Deferred tax liability			
Property, plant & equipment		-	118 900
Expenses prepaid		8 700	11 600
Income in advance		(2 900)	(8 700)
		5 800	121 800
Plant			
Carrying amount at beginning of year		760 000	820 000
Cost		1 000 000	1 000 000
Accumulated depreciation		(240 000)	(180 000)
Depreciation expense	X5 [(820 000 – 355 000) / 93 X 12] X6 [(820 000 – 355 000) / 93 X 9] or [(760 000 – 355 000 / 81 X 9]	(45 000)	(60 000)
Sale of plant		(715 000)	-
Purchase of plant		2 000 000	-
Carrying amount at end of year		2 000 000	760 000
Cost		2 000 000	1 000 000
Accumulated depreciation		-	(240 000)

Solution 14.4 continued …

Workings

1. Deferred tax computation

			CA	TB	TD	DT	
Old equipment							
01/03/X2	Cost		1 000 000	1 000 000	0	0	
01/03/X2 – 30/05/X4	Accumulated depreciation / tax allowance	(*800 000 X 0.10 X 2.25) *(1 000 000 – 200 000) / (1 000 000 X 0.20 X 2.25)	(180 000)	(450 000)	270 000	78 300	Cr
			820 000	550 000	270 000	78 300	Cr DTL
01/06/X4 – 30/05/X5	Depreciation / tax allowance	(*465 000 / ^93 X 12) *(820 000 – 355 000) ^ (7yrs 9mths)/ (1 000 000 X 0.20)	(60 000)	(200 000)	140 000	40 600	Cr
			760 000	350 000	410 000	118 900	Cr DTL
01/06/X5 – 28/02/X6	Depreciation / tax allowance	(465 000 / 93 X 9) (1 000 000 X 0.20 X 9/12)	(45 000)	(150 000)	105 000	30 450	Cr
			715 000	200 000	515 000	149 350	Cr
28/02/X6	Sale		(715 000)	(200 000)	(515 000)	(149 350)	Dr
			-	-	-	-	
New equipment							
31/05/X6	Cost		2 000 000	2 000 000	0	0	
30/05/X5	Income in advance		30 000	0	30 000	8 700	Dr DTA
						(5 800)	Cr DT Dr TE
30/05/X6	Income in advance		10 000	0	10 000	2 900	Dr DTA
30/05/X5	Expenses prepaid		40 000	0	40 000	11 600	Cr DTL
						(2 900)	Dr DT Cr TE
30/05/X6	Expenses prepaid		30 000	0	30 000	8 700	Cr DTL

Solution 14.4 continued …

2. Plant

	CA	TB
Balance at 28/02/X6	715 000	200 000
Selling price	1 500 000	1 500 000
	785 000	1 300 000

3. Current tax computation

Profit before tax	1 720 000
Less:	
Accounting gain (1 500 000 – 715 000)	(785 000)
Dividend income	(60 000)
Tax depreciation	(150 000)
Unearned income	(20 000)
Ad:	
Taxable capital gain (1 500 000 – 200 000)	1 300 000
Accounting depreciation	45 000
Prepaid expenses	10 000
	2 060 000
Tax @ 29%	597 400
Tax on dividend income @ 10%	6 000
	603 400

4. Tax provision / payment

20X5 assessment	240 000	240 000
Provided / Provisional payments	(237 250)	(228 450)
Under-provision / Top-up	2 750	11 550
	Dr TE Cr CTP	Dr CTP Cr Bank

Solution 14.5

(a) Extracts from the statement of comprehensive income, statement of financial position and statement of changes in equity

ENVIRONMENTAL LIMITED
(EXTRACT FROM) STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 20X7

		Note	C
Profit before tax		2	880 000
Income tax expense	(282 750 – 27 550 + 5 140)	3	(260 340)
Profit for the period			619 660
Other comprehensive income			
Revaluation decrease			(71 000)
Total comprehensive income			548 660

ENVIRONMENTAL LIMITED
(EXTRACT FROM) STETEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 20X7

	Note	C
Non-current assets		
Property, plant and equipment	4	400 000
Deferred tax	5	15 660
Current liabilities		
Current tax payable		50 250

ENVIRONMENTAL LIMITED
(EXTRACT FROM) STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 20X7

		Revaluation reserve C	Retained earnings C
01/07/X6	Balance	106 500	3 081 000
	Total comprehensive income	(71 000)	619 660
	Transfer to retained earnings	(35 500)	35 500
30/06/X7	Balance	-	3 736 160

Solution 14.5 continued …

(b) Extracts from notes to the financial statements

ENVIRONMENTAL LIMITED
(EXTRACT FROM) NOTES TO THE FINANCIAL STATEMENTS
AT 30 JUNE 20X7

1 Accounting policies

Property, plant and equipment
Plant is stated at revalued amount, being the fair value at the date of revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses. The plant is revalued annually.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight line method.

Deferred tax
Deferred tax is provided using the balance sheet liability method, on all the temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset are recognized for all deductible temporary differences, carry forward of unused tax losses, to the extent that is probable that future taxable profit will be available against which the deductible temporary difference, unused tax losses and tax credits can be utilized.

Carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred taxis calculated at the rates that are expected to apply to the period when differences reverse based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

		C
2 Profit before tax		
Profit before tax is stated after taking into account the following:		
Depreciation		275 000
Revaluation expense		50 000
3 Taxation		
Normal tax		
- Current tax	W3	282 750
- Prior year under-provision	(326 750 – 321 610)	5 140
- Deferred tax	W1 / W2	(27 550)
Income tax expense		260 340

4 Tax on other comprehensive income

Revaluation decrease on plant	
Net	(71 000)
Gross	(100 000)
Tax	29 000

Solution 14.5 continued …

		C
5	**Property, plant and equipment**	
	Plant	
	Net carrying amount at 01/ 07/X6:	825 000
	Gross carrying amount (900 000 – 225 000 + 150 000)	825 000
	Accumulated depreciation	(0)
	Depreciation	(275 000)
	Revaluation decrease	(150 000)
	Net carrying amount at 30/06/X7	400 000
	Gross carrying amount (825 000 – 275 000 – 150 000)	400 000
	Accumulated depreciation	(0)
	Carrying amount using the cost model	450 000
	The plant has been revalued at 30 June 20X7, by an independent valuer, with reference to discounted cash flows.	
6	**Deferred tax asset/ (liability) (W2)**	
	The deferred tax balance comprises temporary differences caused by:	
	Property, plant and equipment	14 500
	Prepaid expenses	(2 320)
	Income in advance	3 480
		15 660

Solution 14.5 continued …

Workings

W1. HCA / ACA & Deferred tax			HCA	ACA	TB	TD	DT		C
01/07/X5	Cost		900	900	900				
30/06/X6	Depreciation / tax allowance	(900 / 4)	(225)	(225)	(225)				
			675	675	675				
	Revaluation		-	150	-	150	43.5		106.5
	Balance		675	825	675	150	43.5	Cr	106.5
30/06/X7	Depreciation / tax allowance	*(825 / 3)	(225)	*(275)	(225)	(50)	(14.5)	Dr	
	Transfer of RS to RE	[(275 – 225) X 0.71] or (106.5 / 3)							(35,5)
			450	550	450	100	29	Cr	71
	Revaluation decrease			(150)					
	(Reversal of RS)			(100)		(100)	(29)	Dr	(71)
	(Revaluation expense)			(50)		(50)	(14,5)	Dr	
	Balance		450	400	450	(50)	(14.5)	Dr	-
Not required for answer: 30/06/X8	Depreciation / tax allowance	*(400 / 2)	(225)	*(200)	(225)	25	7.25	Cr	
	Balance		225	200	225	(25)	(7.25)	Dr	-

W2:Deferred tax summary		CA	TB	TD	DT	
30/06/X6	Plant	825 000	675 000	15 000	43 500	L
	Interest in advance	(15 000)	0	(15 000)	(4 350)	A
	Rent prepaid	6 000	0	6 000	1 740	L
					40 890	L
30/06/X7	Plant	400 000	450 000	(50 000)	(14 500)	A
	Interest in advance	(12 000)	0	(12 000)	(3 480)	A
	Rent prepaid	8 000	0	8 000	2 320	L
					(15 660)	A
	Movement X6 – X7				56 550	Dr
	Reversal of RS				(29 000)	Dr
	Net I/S movement				27 550	Dr

Solution 14.5 continued …

W3: Current tax computation	C	X 0.29	
Profit before tax	880 000	255 200	
Temporary differences	95 000	27 550	Dr Deferred tax Cr Tax expense
+ depreciation	275 000		
- tax allowance	(225 000)		
+ revaluation expense	50 000		
+ Rent prepaid X6	6 000		
- Rent prepaid X7	(8 000)		
- Interest in advance X6	(15 000)		
+ Interest in advance X7	12 000		Dr Tax expense
Taxable profit	975 000	282 750	Cr Current tax payable

W4: Current tax payable			
Description	**C**	***Description***	**C**
Bank (4 875 + 5 140)	10 015	Balance	4 875
Bank (1st p/p)	150 750	Tax expense (Under-provision)	5 140
Bank (2nd (p/p)	182 250	Tax expense (current)	282 750
Balance	50 250		
	291 525		291 525
		Balance	50 250